

Far from being the norm

A day spent in the NORM Group, says Executive Editor Phil Matten, is a potent reminder that far from being the norm, this is an exceptional manufacturer, which has expanded dramatically and taken complete control of its production process. Include time with Chairman Fatih Uysal, and there is a unique opportunity to explore not just how but also why NORM has achieved so much.

In 1973 Nedim Uysal – founder and now honorary chairman of the Group – saw NORM’s first bolt produced on one of the company’s then handful of two die, three blow headers. Fatih Uysal, who took on the operational management of NORM Group from his father four years ago, recalls the first factory in Bornova: “The building was a very small place, it was dark, there were no windows. At that time there were only one or two fastener producers in Turkey, almost all fasteners were imported.” It was a very different country then. “Companies were paying in advance for imported products and then waiting for them to arrive.”



In 1994, having seized the market opportunity, NORM built a 3,000m² factory in the Izmir Atatürk Industrial Zone, where it continues to be headquartered. “Initially my father planned to put the furnaces and heading machinery in the same building but I had learnt enough from visits to European fastener factories to suggest it would be better if they were separated, for the production flow and for the comfort of the workers.” That balance between efficiency and care for its people continues to resonate through NORM.

It was the time to look forward – but a far from clear future. “My father said to me: ‘OK, three thousand square metres, what are you going to do here?’”

The answer was to build Turkey’s largest fastener manufacturing business. In 2016 NORM Group achieved sales equivalent to €230 million, and employed 2,148 people. In 2017 the Group forecasts output of close to 110,000 tonnes, more than three times ten years ago. Today, NORM Group is rated as one of the top 500 companies in Turkey, with nine distinct production facilities in Izmir and Salihli, with covered space of more than 100,000m². Close to 60% of output is now exported – much more if indirect imports of NORM parts, installed in Turkish built vehicles and white goods, are counted.

NORM’s list of customer references is a veritable ‘Who’s Who’ of global vehicle manufacturers and automotive tier suppliers, as well as leading European fastener distribution and logistics specialists. The Group is also a major supplier to the white goods sector and, as a consequence originally of the European automotive collapse in 2008-9, has diversified into construction bolting and screws.

Ask Fatih Uysal how he feels 44 years on from NORM’s foundation, and he tells you: “We live in a very different world.” He smiles, and adds: “But my father has a lot of experience and he is still with us. He comes in every day, and visits the companies. He looks ...and his eyes are perfect, and I very quickly get to see what he has seen!”

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“Now,” he says proudly, “we are three generations together. My son already works in the business. Four years ago, my father transferred the managerial responsibility to myself. After that we began to have formal board meetings, something we had not done previously, and to invite experienced advisors onto the board. You grow the machinery, you grow the buildings, you grow the people – and you also have to grow the management. That is why we now work closely with the PwC management development programme. They help us to develop the philosophy of the management. We prepare our strategic maps and derive our key performance indicators. These then cascade through the departments to the personal level.”



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Recognising the strategic necessity of devolving management responsibility reflects not just the proliferation of businesses in the group, but also their geographical location and the spectrum of processes involved. In 2014 NORM commenced screw production in Salihli followed shortly by bolt and nut factories in the same development zone. The new plants are around 100km east of Izmir, easily a one hour drive, which begs the question: Why there?

“Salihli is our family’s home town,” responds Fatih Uysal, “but there are very important business reasons for the choice. Izmir is already a highly industrialised city so there are few incentives to develop further here. In contrast Salihli was an agricultural region, where work is seasonal. The authorities are keen to see industry develop and the people appreciate the opportunity for continuous work throughout the year. The cost of land is also lower making it more cost-effective to develop new factories in the special industrial zone.”

“Having two clusters of production separated in this way is also very significant in spreading our strategic risk. Even ignoring all the other factors that can incapacitate a factory anywhere in the world, Izmir is an earthquake zone. Salihli is not.”

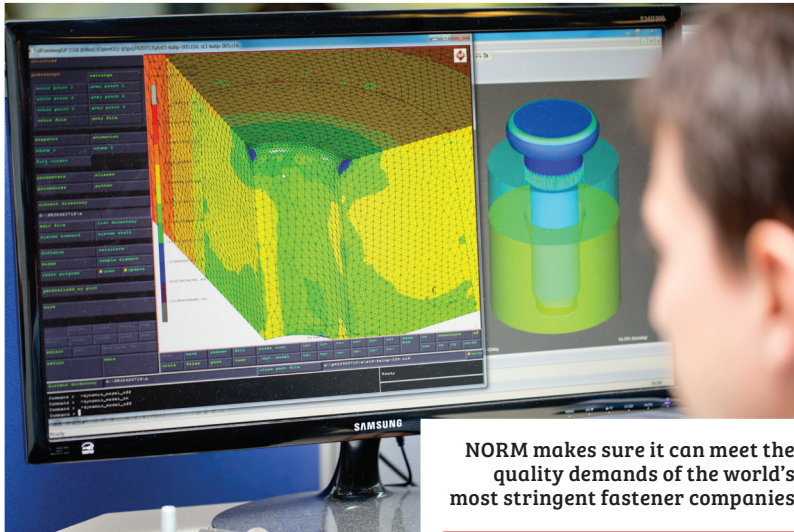
The Salihli development has meant recruiting and training a new workforce but these are things in which NORM is adept. “This is very important to NORM. We have government-licensed schools both here in Izmir and in Salihli. In Izmir we now have seventy-two young gentlemen, who spend two days a week at the school and three days working in the company, to complete a four year apprenticeship. Now I have established a similar school at Salihli, close to the factory, where we have thirty-five students.”

Philanthropy? Yes, no question the schools reflect a genuine social responsibility – but they also make rock-solid business sense. “Train from when they are young are there is no chance to learn bad habits. It is never easy to change the people – far better to develop them correctly from the beginning. They are our future and we need them to naturally possess in their hearts our passion for quality and service.”

NORM’s Salihli production is now all ISO/TS 16949 accredited, matching the Izmir sites. “We have also received all the audits from our OEM customers, so we have all the green lights to supply and export from Salihli.”



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NORM makes sure it can meet the quality demands of the world's most stringent fastener companies

→ Meeting the quality demands of the world's most stringent fastener customers also motivated NORM to bring all stages of production in-house. "Now everything is integrated and we have control over the quality of production at all stages. In the past we had many problems with sub-contractors' quality. On the bolt it says NORM, so there is no point in trying to explain that these were not problems we caused but were our sub-contractors' fault. So now we control the quality directly from the wire cleaning and annealing, through forging, secondary operations, heat treatment, coating, inspection and packaging. We also produce and maintain all our own tooling and manufacture the special machinery we need for assembly, inspection and packing."

In the last two years the drive to control quality involved major investment in a new coating facility in Izmir. "We got the licences we needed, for example from Magni and GEOMET®, and now we apply these coatings in our own facility using new equipment, including a recently installed automated spray-coating line, and under our own quality management. This is one of many investments and developments that has hugely increased the confidence our automotive customers have in NORM Group."

With the very significant 50 year anniversary not far away, where next for NORM Group? "Actually the market will show us the way. When the opportunities are presented we are ready and very able to respond. We are strong already in the automotive sector, also in agricultural and general machinery, domestic appliances and, also, construction."

"Importantly, in the automotive sector NORM is not concentrated with one customer. Some companies are working forty or even fifty percent with one customer. That is very risky. Our maximum is nine percent exposure to a single customer – painful, yes, if something happened but far from catastrophic."

"We are monitoring the powertrain developments in the car market but NORM does not supply engine components, so the acceleration of the electric car is more likely to be an opportunity for us."

"Our R&D department is now very active and well resourced. We have developed unique NORM products – for example our NOW one-way fasteners, NORMEST® thread forming screws and Fasti-NORM clinching fasteners. We are making new R&D projects with our customers and are also very aware of the development of Industry 4.0. We are already very integrated in our production – our production automation system means I can see all the productivity information on my phone!"

"We have established warehouses in Germany and France. The next stage for NORM is to invest in production outside of Turkey. We need to do this to penetrate new geographies and new customers. We are very interested in the opportunities in the North American market but we will not do these things in haste but step-by-step. If it is out of control it is not yours."

Fatih Uysal adds with a smile: "Of course, we operate on NORM time – which somehow goes much quicker because we are always impatient to move forward." +

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